

91<sup>st</sup> Legislative Session – 2016

Committee: House Taxation

Tuesday, February 16, 2016  
As Amended February, 18, 2016

P - Present  
E - Excused  
A - Absent

Roll Call

P Bartling  
P Beal  
P Duvall  
P Haggar (Don)  
P Killer  
P Kirschman  
P Latterell  
P May  
P Novstrup (Al)  
P Rasmussen  
P Russell  
P Wiik  
P Willadsen  
P Rozum, Vice-Chair  
P Solum, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Representative Tona Rozum, Vice-Chair.

MOTION: TO APPROVE THE MINUTES OF THURSDAY, FEBRUARY 11, 2016

Moved by: Willadsen  
Second by: Haggar (Don)  
Action: Prevailed by voice vote.

HB 1177: revise certain provisions concerning tax incentives for certain energy facilities.

Presented by: Representative Solum  
Proponents: Julie Voeck, Nextera Energy, WI, self (Handouts: #1)

Hunter Roberts, Governor'S Office  
Brett Koenecke, Iberdrola Renewables, LLC

MOTION: AMEND HB 1177

1177fb

On page 2, line 18 of the printed bill, overstrike "on".

On page 2, line 19, overstrike "or".

On page 2, line 19, delete "that produces power for the first time after".

On page 2, line 20, delete "June 30, 2016".

On page 3, line 5, delete "producing power for the first time after June 30, 2016".

On page 3, line 16, delete "or a solar facility producing power for the first time after June 30,".

On page 3, line 17, delete "2016,".

On page 3, line 17, remove the overstrikes from "~~wind~~".

On page 3, line 18, remove the overstrikes from the first "~~farm~~".

On page 3, line 18, delete the first "renewable facility".

On page 3, line 18, after "." insert "Any company owning or holding under lease, or otherwise, real or personal property used, or intended for use, as a solar facility, shall pay an annual tax of \$.00090 per kilowatt hour of electricity produced by the solar facility.".

On page 3, line 20, overstrike "wind farm" and insert "renewable facility".

On page 3, after line 24, insert:

" Section 5. That § 10-35-20 be amended to read:

10-35-20. The secretary shall deposit the tax imposed by §§ 10-35-18, 10-35-19, and 10-35-19.1 into the ~~wind-energy~~ renewable facility tax fund. There is created in the state treasury the ~~wind energy~~ renewable facility tax fund.

Section 6. That § 10-35-21 be amended to read:

10-35-21. The secretary shall distribute all of the tax deposited in the ~~wind-energy~~ renewable facility tax fund pursuant to § 10-35-18 and twenty percent of the tax deposited in the ~~wind-energy~~ renewable facility tax fund pursuant to §§ 10-35-19 and 10-35-19.1 to the county treasurer where the ~~wind farm~~ renewable facility is located. If a ~~wind farm~~ renewable facility is located in more than one county, each county shall receive the same percentage of the tax as the percentage of wind towers or solar facilities in the ~~wind farm~~ renewable facility located in the county. Upon receipt of the taxes, the county auditor shall apportion the tax among the school districts, the county, and the organized townships where a wind tower or solar facility is located. The tax shall be apportioned by the county auditor by allocating fifty percent of the tax to the school district where each wind tower or solar facility is located, fifteen percent to the organized township where each wind tower or solar facility is located, and thirty-five percent to the county. If a wind tower or solar facility is located in a township that is not organized, the unorganized township's share of the tax for that wind tower or solar facility is allocated to the county. The secretary shall distribute the money to the counties on or before the first day of May. Any remaining revenue in the ~~wind-energy~~ renewable facility tax fund shall be deposited in the state general fund."

Moved by: Duvall  
Second by: Haggar (Don)  
Action: Prevailed by voice vote.

MOTION: PLACE HB 1177 ON CONSENT CALENDAR

Moved by: Duvall  
Second by: Kirschman  
Action: Failed by voice vote.

MOTION: DO PASS HB 1177 AS AMENDED

Moved by: Haggar (Don)  
Second by: Beal  
Action: Prevailed by roll call vote. (15-0-0-0)

Voting Yes: Bartling, Beal, Duvall, Haggar (Don), Killer, Kirschman, Latterell, May, Novstrup (Al), Rasmussen, Russell, Wiik, Willadsen, Rozum, Solum

HB 1179: revise certain provisions regarding the exemption of certain boats from the excise tax on large boats.

Presented by: Representative Bolin  
Proponents: Roger Tellinghuisen, South Dakota Association of County officials  
Opponents: Jim Terwilliger, Bureau of Finance & Management

MOTION: DO PASS HB 1179

Moved by: Bartling  
Second by: Latterell  
Action: Was not acted on.

MOTION: SUBSTITUTE MOTION DEFER HB 1179 TO THE 41<sup>ST</sup> LEGISLATIVE DAY

Moved by: Willadsen  
Action: Died for lack of a second.

THE MOTION TO DO PASS HB 1179

Moved by: Bartling  
Second by: Latterell  
Action: PREVAILED BY ROLL CALL VOTE. (14-1-0-0)

Voting Yes: Bartling, Beal, Duvall, Haggar (Don), Killer, Kirschman, Latterell, May, Novstrup (Al), Rasmussen, Russell, Wiik, Rozum, Solum

Voting No: Willadsen

HB 1204: provide a sales and use tax exemption for certain nonprofit corporations created for the purpose of fire protection.

Presented by: Representative Anderson  
Proponents: Steve Willard, South Dakota Joint Fire Council

MOTION: AMEND HB 1204

1204fa

On the printed bill, delete everything after the enacting clause and insert:

" Section 1. That chapter 10-45 be amended by adding a NEW SECTION to read:

There are hereby specifically exempted from the provisions of this chapter and from the computation of the amount of tax imposed by it, the gross receipts from sales of tangible personal property, any product transferred electronically, and services to any nonprofit corporation created for the purpose of fire protection that is controlled by any political subdivision of this state.

Section 2. That chapter 10-46 be amended by adding a NEW SECTION to read:

There are hereby specifically exempted from the provisions of this chapter and from the computation of the amount of tax imposed by it, the purchases of tangible personal property, any product transferred electronically, and services by any nonprofit corporation created for the purpose of fire protection that is controlled by any political subdivision of this state."

Moved by: Kirschman  
Second by: Solum  
Action: Prevailed by voice vote.

MOTION: DO PASS HB 1204 AS AMENDED

Moved by: Duvall  
Second by: Bartling  
Action: Prevailed by roll call vote. (15-0-0-0)

Voting Yes: Bartling, Beal, Duvall, Hagggar (Don), Killer, Kirschman, Latterell, May, Novstrup (Al), Rasmussen, Russell, Wiik, Willadsen, Rozum, Solum

MOTION: AMEND TITLE OF HB 1204

1204fta

On page 1, line 1, of the printed bill, after "sales" insert "and use".

Moved by: Solum  
Second by: Wiik  
Action: Prevailed by voice vote.

MOTION: ADJOURN

Moved by: Latterell  
Second by: Solum  
Action: Prevailed by voice vote.

Liz Markley  
Committee Secretary

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Tona Rozum, Vice-Chair